

AN ACT

ENTITLED, An Act to revise certain provisions regarding variable life insurance policies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-28-30 be amended to read as follows:

58-28-30. Except for §§ 58-15-13, 58-15-14, 58-15-15, 58-15-17, 58-15-18, 58-15-19, 58-15-21, 58-15-22, 58-15-29, 58-15-31, 58-15-32, 58-15-33, 58-15-34, 58-15-35, 58-15-36, 58-15-38, 58-15-39, and 58-27-108, as in the case of a variable life insurance policy, §§ 58-15-57, 58-15-62, 58-15-64, 58-15-65, 58-15-66, 58-15-72 to 58-15-81, inclusive, and 58-27-108, as in the case of a variable annuity contract and except as is otherwise provided in this chapter, all pertinent provisions of the insurance code apply to separate accounts and contracts relating thereto.

Section 2. That chapter 58-28 be amended by adding thereto a NEW SECTION to read as follows:

Except if variable death benefits are used to pay premiums, the payment of variable death benefits in excess of any minimum death benefits, cash values, policy loans, or partial withdrawals, or the payment of variable death benefits in excess of any partial surrenders, may be deferred either:

- (1) For up to six months from the date of the request, if the payments are based on policy values that do not depend on the investment performance of the separate account; or
- (2) For any period during which the New York stock exchange is closed for trading, except for normal holiday closing, or for any period during which the securities and exchange commission determines that a state of emergency exists which may make such payment impractical.

Section 3. That chapter 58-28 be amended by adding thereto a NEW SECTION to read as follows:

The director may promulgate rules pursuant to chapter 1-26 relating to variable life insurance

policies. In promulgating the rules, the director shall give substantial consideration to the standards contained in the National Association of Insurance Commissioners (NAIC) Variable Life Insurance Model Regulation and otherwise design the rules to achieve uniformity, to the degree reasonably possible, in the standards for variable life insurance. The rules shall be limited to the following:

- (1) Standards for suitability of sales and sales materials;
- (2) Policy benefit and design requirements;
- (3) Establishment and administration of separate accounts;
- (4) Disclosure requirements; and
- (5) Definition of terms.

An Act to revise certain provisions regarding variable life insurance policies.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 168

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 168

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor  
=====

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State